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Report on human resources management in UNDP
Managing talent, developing staff, increasing efficiencies

Summary

The present report provides an overview of the key human resources management priorities of the United Nations Development Programme (UNDP) for the period of the Strategic Plan. The report focuses in particular on the progress made in the implementation: of the human resources strategy entitled "Human Resources in UNDP – A People-Centred Strategy 2008-2011" and of the UNDP Action Plan project "Managing performance and developing staff", as well as on challenges encountered along the way.

The report is being submitted as a document for the formal session on human resources management as requested by the Bureau of the Executive Board at its meeting of 22 June 2010.

Elements of a decision

The Executive Board may wish to: (a) take note of the present report; (b) acknowledge progress made and challenges in the area of human resources management; and (c) express its continuing support for the strengthening of the human resources function at UNDP.

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Introduction

1. In today's global environment, success depends to a large extent on organizations' strategic advantage and business agility. In a continually evolving world featuring increasingly complex and linked challenges, organizations that are able to adapt quickly to the changing environment are more likely to succeed. To achieve this, it is important to align the workforce with the business vision of the organization, thus forging an intrinsic link between business strategy and human resources management. This is especially true in an organization such as UNDP, where people are the principal asset.

2. In keeping with the times, management of human resources in the public and private sectors is seeking to move from a personnel administration function towards more strategic human resources management, decentralizing the authority and responsibility for day-to-day human resources matters to line managers. The strategic role has an advisory and supportive focus that helps an organization to meet its goals by using recruitment, assessment, learning and development to drive decisions, monitor performance and improve results. At UNDP, there are challenges to achieving this.

Context of human resources management

3. Human resources management at UNDP is shaped by the organization's mission to help countries accelerate progress on human development with a particular focus on the achievement of the Millennium Development Goals as well as on the crucial role UNDP plays on behalf of the United Nations system in promoting coordination, efficiency and effectiveness across the system. The United Nations reform agenda calls for the human resources function at UNDP to keep pace with institutional demands to improve simplification and harmonization of human resources policies and practices so as to support the goal of making the United Nations system more accountable, effective and cohesive at the country level.

4. Equally important is the need to mainstream gender equality and the empowerment of women, which UNDP has been promoting across its practice areas through advocacy and relevant programme interventions, as well as internally in the hiring of its own staff.

5. The priority of human resources management at UNDP is to make a difference on the ground by supporting UNDP country offices with robust policies and business solutions while demonstrating transparency and accountability and conforming to the United Nations standards of conduct as well as to public expectations.

6. As with other large organizations, human resources management at UNDP is seeking to move gradually from a transactional and administrative approach towards placing greater emphasis on a larger strategic advisory role that is more involved upstream and more able to influence results that impact organizational objectives. This transformation assumes greater significance given the urgency to change UNDP to a world class knowledge-based organization. The inclusion of human resources as a focus area — "Managing performance and developing staff" — in the UNDP Action Plan is a clear acknowledgement of the strategic importance accorded to this function.

The strategic framework for human resources management

7. The UNDP Strategic Plan 2008-2013 sets an overall direction for UNDP operations in support of programme countries. To enhance delivery and the effectiveness of the organization, it calls on human resources to be aligned with the needs of the organization. Specifically, it recommends strengthening strategic human resource management so that the skills mix and staff capacities mirror corporate requirements, with an emphasis on talent management, succession planning, career development and staff "retooling".

8. The "Managing performance and developing staff" focus area of the UNDP Action Plan provides a means of achieving the results envisaged in the Strategic Plan. The Action Plan requires UNDP to have a versatile, diverse, effective and talented workforce that is agile and capable of meeting the needs of the organization. This includes recognizing the competencies, knowledge and talent within UNDP, deploying all this to maximum effect, developing the leadership skills of the organization's managers, and nurturing the next generation of leaders, as well as attracting and hiring talent from outside when needed.

9. Within this strategic framework, the purpose of human resources management is two-fold: (a) to be fully aligned with the corporate goals of UNDP's Strategic Plan which is aimed at achieving development results; and (b) to contribute to UNDP's transformation to a world class knowledge-based organization.

10. The report entitled "Managing Talent, Developing Staff, Increasing Efficiencies" presents: the progress made in achieving the targets set out in UNDP's Strategic Plan in the area of human resources management; UNDP's contribution and role in the harmonization of business practices across the United Nations system; and some of the challenges currently encountered by the organization in the management of its people.

11. This report is divided into five chapters. The first chapter reports on the progress made on the human resources strategy "Human Resources in UNDP – A People-Centred Strategy" and on the UNDP Action Plan project focused on managing performance and developing staff, which draws on the Strategy. These two together constitute the blueprint for human resources management at UNDP. The second chapter focuses on some of the efficiency gains that have been achieved in the management of human resources. Chapter three highlights achievements in United Nations reform and harmonization, and chapters four and five present respectively the challenges encountered in human resources management and the conclusion as regards the way forward.

I. The people principle: human resources management in UNDP

12. A skilled, diverse and dedicated staff is the main means through which UNDP achieves its organizational goals. It is the contribution made by UNDP staff that gives the organization its unique competitive advantage. UNDP staff at all levels have a sense of a global purpose, take pride in what UNDP does and are committed to making a difference. Collectively they comprise UNDP's principal asset that delivers on development effectiveness.

13. By placing people, performance and shared core values at the centre, UNDP's people-centred human resources strategy offers a value proposition which covers some a broad range of workforce activities and levels. At the workforce level, the

emphasis is on strategic initiatives for talent management, strategic recruitment, learning and development and succession-planning, as well as a policy architecture to support all this. At the workplace level, the focus is on initiatives involving ethics and values such as trust and zero tolerance for retaliation, harassment and abuse of authority. The human resources strategy thus sets out to develop organizational effectiveness in three areas: talent sourcing, staff capacity and an enabling environment.

a. *Talent sourcing* aims at getting the right people in the right place at the right time, in order to achieve organizational objectives. To this end, emphasis is placed on workforce analytics; transparent, efficient and effective recruitment; creation of candidate pools for succession planning; and advisory services.

b. *Staff capacity* is articulated as UNDP's preparedness to achieve its mandate as a result of its knowledge base and experience at both the professional and support levels. The objective is to create systems and a culture in which staff members are continually building their capacity to perform their functions more effectively, and also using these enhanced capacities for career development. Strengthening staff capacity is equally essential for effective succession planning.

c. An *enabling environment* is key to achieving the results set out in the Strategic Plan since it contributes to staff retention, job satisfaction, motivation and higher levels of commitment to the organization. An enabling work environment is one that is safe, respectful, empowering and caring, free of harassment, discrimination and arbitrary behaviour, and where there is a better balance of work and personal life. It is a place where staff members have access to independent advice and informal and formal avenues for addressing grievances, including the Ethics Office and the Office of the United Nations Ombudsman for the Funds and Programmes [UNDP/UNFPA/UNICEF/UNOPS].

In today's dynamic and resource-constrained environment, a fourth equally important dimension for effective human resources management is beginning to emerge. To support the growing complexity of people management, there is a strong need to focus on *driving efficiencies* so as to continue to remain not just relevant, but also viable.

Strategic talent management

14. Based on the human resources strategy, UNDP is attempting to drive change by concentrating on the areas of workforce planning, recruitment, performance management, learning and development and succession planning, all of which are the keys to a complete talent management solution that has an impact on UNDP's results and plays a key role in the organization's success.

Workforce composition

15. UNDP staff constitutes a global network of diverse experiences and cultures. Staff members share a common cause but play different roles in very different environments — from net contributing countries to middle- and low-income countries; from least developed countries to countries in crisis and in post-crisis situations.

16. A workforce snapshot indicates that as of 1 September 2010, UNDP's total staff strength was 8,421. This is made up of

(a) 2,597 (31 per cent) International Professionals, including participants in UNDP's Leadership Development Programme and participants in the Junior Professional Officers Programme;

(b) 1,397 (17 per cent) national officers;

(c) 3,901 (46 per cent) General Service staff; and

(d) 526 (7 per cent) staff on 300 series appointments (appointments of limited duration). This group includes 388 professional and 138 General Service staff. The 300 series contract type is to be phased out by 31 December 2010 in accordance with General Assembly mandated contractual reform.

17. Women account for 45 per cent of UNDP's international professional workforce. Fifty-seven per cent are in junior management (P1-P3s), 39 per cent in middle management (P4-P5s), and 38 per cent at the senior management level (D1-D2s). This indicates a steady increase in the percentage of women in all three management categories. Given the progress UNDP is making in this area, attaining 50/50 gender parity by 2015 for overall levels and 55/45 at senior levels, as envisioned in the UNDP Strategic Plan, is feasible.

18. There is however, one particular urgent demographic challenge. By 2015 a total of 773 (9 per cent) staff members will be retiring. Of these, 111 will be senior managers at the D1 and D2 levels, in addition to 203 staff at the P1-P5 levels, 95 national officers and 370 support staff. The high attrition level among senior management (32 per cent), including Resident Coordinators, Resident Representatives, Country Directors and middle management (10 per cent), is a concern. Although the retirements will challenge UNDP's ability to preserve institutional memory and to promote inter-generational knowledge transfer, they will also provide an opportunity to better balance UNDP's workforce and correct talent gaps where they exist.

19. The geographical diversity (North/South) of International Professionals in UNDP remains a constant consideration for hiring managers. Data based on nationality currently indicate that 53 per cent of these professionals are from the North and 47 per cent from the South.

20. To assist the organization with its workforce planning, and to reinforce its strengths and identify gaps in particular, workforce analysis is conducted periodically, enabling corrective action by senior management as and where required.

Talent sourcing

21. To respond strategically to the changing nature of UNDP's work, it is critical for human resources management to anticipate and define the various competencies the organization will need in the development field in the future. As the first step towards getting the right people in the right places at the right time, UNDP has established a human resources policy architecture with a competency framework as its cornerstone.

22. This competency framework is an inventory of behaviours, skills and knowledge that lead to excellence on the job. It defines the standard competencies for staff at all levels: the competencies that are required for the organization to achieve its goals. The framework, which is fundamental to talent management, serves as an integrating mechanism for all human resources functions and guides job design, vacancy management, selection and performance management and learning and development.

23. A comprehensive skills inventory is central to a meaningful talent management system and is a key requirement of the Strategic Plan. As UNDP begins to create a skills inventory, efforts will be focused on documenting the baseline functional and core competencies — determining the knowledge and skill sets that staff members

possess. This will help identify gaps impacting the staff members' current roles and functions, as well as those that may impact roles staff members are likely to play in the future. Any learning plan will have to focus on developing skills for the present as well as those required by the organization in the future. To facilitate this, the new learning framework and the updated recruitment and selection framework are linked with the UNDP competency framework so that competencies can be evaluated during interviews and performance management sessions and as part of learning events.

24. Given the increasing demand to accelerate progress on larger development goals, robust and effective recruitment becomes critical. To further strengthen UNDP's recruitment efforts and to give them a strategic focus, the organization is in the process of issuing the updated recruitment and selection framework. The framework provides hiring units with the principles governing recruitment and selection and specific guidance for filling vacant posts to achieve the units' objectives. The recruitment and selection process at UNDP is guided by the need to meet the highest standards of efficiency, competence and integrity.

25. The recruitment and selection framework introduces the concept of "candidate pools" to support succession planning and to ensure that critical management positions are filled expeditiously. The pools are designed to identify and maintain a source of pre-screened candidates for UNDP management positions such as Country Directors and Deputy Country Directors, Deputy Resident Representatives for Programmes and Operations and their Headquarters equivalents. The aim of the pools is to identify, evaluate, develop and prepare a cadre of staff who have been approved and are ready to be deployed for specific jobs. Besides bringing more transparency, the pools will give a corporate identity to the selections for these senior posts. The pools will help to reduce recruitment timelines considerably, ensuring that critical positions are filled quickly and thus increasing the efficiency of the organization. Since the assessment methodology used for entry into the pools will have a strong staff-development component, candidates who do not make it into a particular pool will be assisted with individual learning plans to address identified gaps in skills. The pools will aid in talent retention and promote a continuous updating of knowledge and skills which will benefit the organization. Since the pools will be open to qualified national officers and General Service staff, they will offer an opportunity for staff in these categories to pursue alternative career paths with UNDP.

26. To address potential gaps in the workforce that may result from impending retirements, UNDP is in the process of creating a strong middle management cadre by drawing on the Junior Professional Officers Programme (JPO Programme), the Leadership Development Programme (LEAD) and on qualified national officers. Currently, there are 143 middle managers who came out of the JPO Programme and 66 from LEAD, while 17 national officers have progressed to become Deputy Country Directors or Deputy Resident Representatives.

27. Since diversity is critical in building knowledge and nurturing talent, UNDP supports inter-agency mobility, as it helps to foster diversity of ideas, experience and a richness of expertise and competence. In the past 20 months UNDP has facilitated the mobility of 113 staff members, not including those at the Assistant Secretary-General and Under-Secretary-General levels, to and from UNDP. Inter-agency mobility is also seen as a strong contributor to staff development, although it requires additional inter-agency commitment and collaboration.

28. To promote within what it advocates outside, a new Gender and Diversity Unit has been established in the Office of Human Resources/Bureau of Management, and

a Gender Action Plan has been formulated. The Action Plan proposes: (1) affirmative action in the recruitment and selection processes; (2) an increase in the intake of women LEAD candidates; (3) that efforts to achieve gender parity be a mandatory key result area in the performance assessment of managers; (4) career development initiatives involving leadership training and mentoring; (5) promoting mobility via initiatives such as providing spousal employment and flexible assignments; (6) the implementation of gender-focused work-life policies such as flexi-time, telecommuting and job-sharing; (7) an inter-agency gender parity network; (8) the formulation of communication and advocacy tools;(9) the preparation of the Gender Parity Report to provide periodic monitoring, in addition to progress updates to senior management.

Building staff capacity

29. Building staff capacity is laying the foundation of a strong organization that can weather changes and deliver consistent results. Cognizant of this, UNDP strives to create a culture in which staff members are continually building their capacity not only to meet their individual career aspirations, but also to ensure that UNDP is agile and capable of responding effectively to a continuously evolving environment.

30. Professionalization and retooling of staff members is an ongoing process at UNDP. It consists in part of making available to staff several online learning and substantive courses. These include UNDP focus areas such as climate change, democratic governance, the Millennium Development Goals, gender and aid effectiveness. There are also certification programmes in human resources, finance, procurement, project management, as well as role-based learning programmes which effectively target the development of competencies for specific functions. Mandatory courses have been developed to enhance the capacity of UNDP's workforce in UNDP core areas and to provide information about ethics at the United Nations, the legal framework and gender mainstreaming. A major learning programme is planned in order to facilitate the roll-out and implementation of the International Public Sector Accounting Standards (IPSAS). These efforts constitute the foundation on which staff can continue to build their functional and behavioural competencies.

31. A Leadership Development and Management Skills Programme for managers at all levels has been developed. This Programme aims at enhancing the skills and competencies of managers so that they are better able to lead and motivate their teams to help UNDP achieve its objectives, the Programmes for entry and middle-level managers have already been launched, and the one for senior managers is scheduled to begin in the first quarter of 2011, following a pilot phase in 2010.

32. Central to any results-oriented organization that is focused on staff development is a robust performance management system. The new results and competency assessment system offers a simplified approach to performance appraisal, with a focus on results, training and career development as its critical components. Aligned to the integrated work plans, the new system fosters the achievement of results by establishing clear links between individual and corporate objectives, thus highlighting the contribution of individual staff members to helping their teams achieve organizational goals. The new system endeavours to establish a communication process between staff and supervisors in which individual performance goals and staff members' career and professional development are discussed. The success of the new system will depend to a large extent on its proper use by managers, who are accountable for effective performance management.

33. Based on the progress achieved to date, in the future there will be an enhanced focus on career counselling and career management and development. This work will be supported primarily by individual supervisors who are the first and most

important partners for staff members' career development. To provide practical training, especially with a view to facilitating succession planning, UNDP managers will be encouraged to consider routine as well as novel ideas. The objective is to provide new experiences in order to develop staff as well as to gauge their potential. These might include short-term assignments, temporary assignments, job rotations and external sabbaticals.

34. UNDP has 5,298 nationally and locally recruited staff members. They make up the largest component of its total staff: 63 per cent. Spread across 166 countries, including regional, liaison and Headquarters locations, national professionals and General Service staff offer UNDP a unique advantage on account of their knowledge, expertise and skills. This is exemplified by the number of national staff members — 103 to date — who have moved to positions in the International Professionals category. Nurturing this talent through career and professional opportunities is nevertheless a challenge. Acknowledging this vast reservoir of talent, UNDP is in the process of developing a national staffing framework that will explore developmental opportunities for these staff members.

35. The usefulness of rewards and recognition to motivate staff is well established. While working towards establishing a broader approach to rewards and recognition, UNDP has made a beginning in some areas. Given the emphasis on staff capacity and learning, UNDP has instituted an award to recognize the achievements of learning managers and learning committees that have helped champion learning in their respective offices and supported the creation of a learning culture. Another award that is currently in the planning stage is a UNDP diversity award aimed at further increasing inclusive employment in the organization.

Enabling environment

36. Attracting the right talent at the right time is just one part of the strategic talent management equation. The other half lies in talent retention. The best of policies, learning programmes and business solutions are ineffective unless they are administered in an environment that is perceived by staff as being safe, respectful and empowering at all levels. To be an employer of choice, UNDP has created a Staff Well Being Unit in the Office of Human Resources. This Unit contributes to creating an enabling work environment through measures that respond to staff needs and expectations of a work place. These efforts include assistance to dual-career couples, support for staff mobility and promoting a balance between work and personal life. Staff well-being is also supported through UN Cares, the United Nations system-wide programme on HIV, as well as through providing staff counselling in the aftermath of crises and a growing intranet site which provides information on domestic violence, substance abuse and physical well-being in general. By advocating the mainstreaming of disability in human resources decisions, the unit also contributes to enhancing the diversity of UNDP's workforce.

37. The Global Staff Survey continues to be used by senior management as an internal tool to monitor staff perceptions and for the feedback it provides about working environments and managerial performance. Rigorous follow-up and action plans are established to address the findings of the Survey. While job pride and job knowledge have consistently earned high ratings, some of the areas that UNDP still needs to address are those of work/life balance and career development and recognition.

38. A good and constructive partnership with the UNDP/UNFPA/UNOPS Staff Council has contributed significantly to fostering healthy and harmonious staff-management relations. It has helped to develop a common purpose and agenda for the promotion of staff interests and concerns. On a regular basis, the Office of

Human Resources consults with the Staff Association, through the Staff Council, on all administrative and human resources policies, measures and procedures that have a direct bearing on general staff welfare and well-being. The Administrator has instituted quarterly meetings with the Staff Council to discuss staff issues.

39. Accountability and transparency are some of the governing principles of UNDP. The UNDP values of dignity, integrity, respect for diversity, transparency, professionalism and results orientation provide clear guidance on the way staff members should interact with each other and fulfill their work responsibilities. Since modern management practices also place greater emphasis on a culture of consultation, information brokering and full disclosure — all of which are key elements of knowledge management — UNDP is increasingly advocating the mainstreaming of these practices in the daily conduct of work.

II. Driving efficiencies

40. Achieving operational efficiencies is part of any sound business strategy, and this is yet more so in the current resource-constrained environment. At UNDP, automation and streamlining of business processes is an ongoing process aimed at helping human-resources practitioners to move from transactional processes to advisory interventions.

41. For the first time in UNDP, the entire global workforce was brought into a single database with the move from the Integrated Management Information System (IMIS) to the enterprise resource planning system Atlas human capital module wave 2 in June 2008. This moved the payroll for all International Professionals and New-York-based support staff into the same database as the field payroll which had already been switched to Atlas in 2004. The launch of wave 2 helped UNDP take major strides in the area of workforce analytics and statistics, as it enabled enhanced workforce planning, monitoring and reporting.

42. To serve the multiple purposes of enhancing transparency, simplifying business processes and building an information base, online and self-service software tools have been introduced that also contribute to reducing administrative costs.

43. With an increasing number of countries suffering from violent conflicts and catastrophic natural disasters, quick and efficient response to crisis situations that may involve any of UNDP's global network of offices is a matter of paramount importance. The role of the Office of Human Resources/Bureau of Management is to ensure staff safety and well-being by assisting the affected country office by offering personnel data on the workforce in that location and providing guidance on the special entitlements and benefits applicable under the declared security phase, as well as on human-resources measures pertaining to staff security.

44. To further strengthen UNDP's response to countries in crisis, a new mechanism called the "fast track policy" was approved in December 2009. The objective is to improve speed and timeliness in operational areas such as human resources, procurement, finance, programme and project management and partnership. The policy provides the affected country office with, inter alia, the authority to waive the competitive recruitment process, shorten the vacancy announcement time from two weeks to one week, and create new positions based on the assurance of funds availability. The fast-track policy has facilitated the crisis-management efforts of approximately 17 country offices. In Haiti, in light of the

magnitude of the crisis, special measures going beyond the fast-track policy were put in place.

45. UNDP will continue its efforts towards policy simplification with a view to making individual policies more practical and easier to implement by managers, thus enhancing their efficacy and supporting the operational needs of the organization particularly at the country level. An example of this is the recent launch of the lateral moves policy. The policy allows management to assign staff members, already selected through a competitive selection process, to posts with the same or similar functions and at the same grade without a competitive process. Like the candidate pools, the lateral moves policy will result in greater effectiveness and efficiency as it eliminates time- and labour-intensive selection processes and results in quicker deployment of staff. The policy simplification process, further supported by effective outreach to managers and training of human resources practitioners, will lead to better understanding of policies, thus reducing the time spent on queries to Headquarters. It will also help managers enhance their capacity to manage human resources in their units.

III. United Nations reform and harmonization

46. In tandem with working through the strategic talent management agenda, UNDP has been equally diligent in meeting the responsibilities of its role within the wider United Nations system. It has been a strong team-member within the UN system, playing the role of a leader when required and at other times being a strong and active participant.

47. Over the last two years, in the context of the contractual reform adopted by the United Nations General Assembly, UNDP has partnered with the United Nations Secretariat and other funds and programmes on the harmonization of specific key principles embodied in the amended Staff Rules. The close partnership during the conceptualizing of the regulatory framework has strengthened the harmonization of human resources practices across the United Nations system. Going forward, UNDP will continue, through the inter-agency mechanism, to play an active role in support of the harmonization of human-resources policies and business.

48. Perhaps UNDP's most challenging inter-agency role is as the manager of the Resident Coordinator (RC) system, an obligation which it meets through the United Nations Development Group (UNDG) mechanism and in close collaboration with the Development Operations Coordination Office (DOCO). In this role, besides managing the placement and administration of RCs, UNDP is also engaged in mentoring, counselling and developing RCs. A recent achievement was the development of the new mechanism for the selection of candidates for the RC pool. In addition UNDP and DOCO provide a comprehensive Resident Coordinator/Resident Representative (RR) induction workshop. It further strengthens the capacity of Resident Coordinators through substantive training events and sponsors the participation of both Coordinators and Representatives in the United Nations Leaders Programme of the United Nations Staff College in Turin. Equally important to UNDP is the support it provides to the DOCO-led inter-agency initiatives such as the Working Group on Resident Coordinator matters. Among many others, UNDP has provided input to the preparation of the new Resident Coordinator job description, as well as assisted in the development of a dispute resolution mechanism for performance management evaluations.

49. UNDP and the United Nations Population Fund (UNFPA) have collaborated closely on a few initiatives. While UNDP has benefited from UNFPA's competency framework, UNDP in turn has provided guidance to UNFPA's enterprise learning management, based on UNDP's own experience with the learning management system. There is also regular collaboration between the two agencies on best practices concerning professionalization certifications and e-learning products. In addition, UNDP frequently advises other agencies on issues related to its learning management system.

50. UNDP works closely with UNFPA and UNOPS on initiatives such as the employment of spouses. This work was done first under the umbrella of UNDP and now is being done on a partnership basis through the Steering Committee of the global Dual Career and Staff Mobility Programme. This Programme has developed strategies to address several challenges faced by expatriate spouses.

51. UNDP makes use of its capacity in providing human-resources administrative services to the United Nations Secretariat and to other United Nations agencies such as UNFPA, World Food Programme and World Health Organization.

IV. Challenges

52. As UNDP is poised for transformation, the impact of the financial crisis makes the role of human resources management more challenging. The shift from administrative personnel management to a strategic, advisory function calls for additional staff resources, which are understandably difficult to obtain in the current financial environment. While the Office of Human Resources/Bureau of Management hopes to meet this challenge by re-prioritizing its functions where possible, it also hopes that the necessary resources will be made available to address the imbalances between the costs of implementing proposed changes and current allocations.

53. UNDP is a strong advocate of inter-agency mobility and is working towards the harmonization of policies and practices with other United Nations agencies so as to facilitate this mobility. Nevertheless, a review of inter-agency statistics indicates that UNDP has been offering greater opportunities to United Nations Common System staff from other agencies than those offered to UNDP staff to work outside of the organization. This discrepancy may inhibit UNDP's ability to open more vacancies to United Nations Common System staff, as the organization is compelled to balance the career development of its own staff with the need to promote inter-agency movement. Equal reciprocal arrangements need to be put in place by the United Nations Common System so that inter-agency mobility can continue to be promoted.

54. The regulatory framework of the United Nations system is important in order to guide the various agencies towards achieving a common goal and greater coherence. UNDP's active support for this effort is demonstrated by the successful implementation of the contractual reform. Although UNDP was required to implement these reforms within the short period of six months, the organization achieved the transition to the new contractual modalities seamlessly, with minimal disruption of day-to-day work. In the rush to meet its obligations by the deadline, however, UNDP was unable to assess the full impact of this reform on its organizational effectiveness. Some of these consequences have only begun to manifest themselves now and pose a challenge, especially for UNDP's field operations.

55. The regulatory framework as enshrined in the Staff Rules calls for an "order of retention". This requires that permanent and long-serving staff affected by the abolition of their posts or through downsizing be given priority when being considered for other jobs. This policy is likely to impact young professionals with fixed-term appointments — the fresh talent of the organization and the people on whom UNDP depends to supply its middle management in light of the forthcoming retirements.

56. Aligning the requirements of the regulatory framework with the business interests of UNDP can sometimes pose a challenge. A case in point is UNDP's move to become a flexible, upstream, knowledge-based organization and the requirement of the regulatory framework with regards to the granting of permanent appointments. Current staff members will be retooled where possible, so they can develop the skills required for a knowledge-based organization that is also professionalizing some of its operational functions (e.g., through IPSAS). But with the issuance of permanent contracts, UNDP may be confronted with the challenge of having permanent staff members who might be unable to adapt to the demands of a knowledge-based organization and to their new roles in it.

57. The new internal justice system has been a welcome addition to the United Nations system and one which UNDP strongly supports. Some of the recent judgments, however, have been seemingly at odds with the contractual reform. While the Member States reiterate that fixed-term appointments do not carry any expectancy of renewal, recent judgments seem to indicate that the organizations must justify their decisions not to renew a fixed-term appointment. This poses a challenge to effective human resources management.

58. Some of the fundamental assumptions about UNDP's workforce seem at variance with the current views of the International Civil Service Commission (ICSC). Over the last 30 years, the programmatic direction of UNDP has assumed that an increasingly large role would be played by national staff members, and national officers in particular. The International Civil Service Commission, however, has recently reiterated the original purpose of the national officer category, which is capacity building of the local labour market, enhancing relevance of programming with local knowledge, and, ensuring continuity of delivery in the face of the rotating of International Professionals in and out of a locale. These divergent views will have to be reconciled in the management of one of UNDP's important workforce components. UNDP looks forward to working closely with the ICSC and other United Nations agencies on this issue.

V. Conclusion

59. To fully achieve the human-resources results identified in the UNDP Strategic Plan and to deliver on the UNDP Action Plan project "Managing Performance and Developing Staff", a comprehensive approach to people management will have to be adopted. This will mean not just sound and integrated human resources policies and business solutions, but also their proper communication to staff and management alike. Informing and influencing managers about their authority and accountability in managing staff will be as important as educating staff about their obligations, so that both are fully cognizant of their roles and responsibilities and can together work on producing optimal results for UNDP.

60. Creating and sustaining organizational excellence depends as much on the implementation of sound policies as it does on developing them. The role of the Office of Human Resources/Bureau of Management is to support organizational excellence, develop a robust policy architecture and create a flexible workforce with the competencies to perform its job well. Since management of resources — including human resources — is an integral part of the management responsibilities of the line managers, it is they who are accountable for implementing policies and ensuring compliance with the rules and regulations in a transparent and consistent manner. This responsibility assumes greater significance in UNDP's decentralized environment since the line manager is the first point of contact for staff members.

61. In presenting this report, UNDP has highlighted its progress to date and its plans for the future, as well as challenges involved in the management of human resources. The end result of human resources management is to support the mandate of the organization: to achieve development results. In order to be an organization of excellence providing value and development options to the countries and societies that we serve, UNDP requires a talented, motivated and diversified workforce working to the highest standards of efficiency, competence and integrity. Consequently, the main priority for UNDP in the years to come will be to transform the ability of its staff members, increasing their agility and versatility, based on a comprehensive foundation of human resources policies, initiatives and business solutions supported by advocacy and advisory services. By investing in staff, UNDP hopes to stimulate higher performance, thus enhancing the effectiveness and relevance of the organization. By pursuing this course, UNDP aspires to demonstrate its excellence, capacity and leadership in the arena of international development and cooperation and accomplish its human development mission. We are counting on the support of the Executive Board in this endeavour.